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Market Release (*via electronic lodgement*)

PERMIAN BASIN—WOLFBERRY TREND DEVELOPMENT PROJECT UPDATE

Golden Gate Petroleum Ltd (ASX: GGP) is pleased to provide a market update on activities involving the Permian Basin and the project earlier named as the Wolfberry Trend Development Project.

Since purchasing 100% of the leaseholds held by Arturus Capital Ltd (ASX: AKW) through its wholly-owned U.S. subsidiary Arturus Energy LLC totalling 8,806 gross acres in Reagan and Irion County, Texas, GGP through its wholly owned US subsidiary, Cathie Energy Texas LLC, has been gearing up for a development program designed to provide the most effective use of this large hydrocarbon resource.

Overall, preliminary research work has been completed; the initial ten drill sites selected; the first two well locations surveyed with drilling permits filed, and expected rig contracting shortly. Subject to rig availability, the first well is planned for the third quarter.

Specific activities to date have included:

- A detailed study of the four leases totalling 8,806 acres, the depths and intervals included in each lease and the optimum strategy to maximize the development of the oil and gas potential of each lease and interval.
- Research into the various fracture stimulation completion programs currently being offered by Halliburton, Schlumberger and others in order to maximize the eventual production at the lowest cost.
- Review of new approaches to hydrocarbon extraction including horizontal drilling where vertical well design is not available or practical.
- Selection of the initial ten drill sites on acreage positions where all the geologic intervals are under lease and the most flexible approach to development is possible.
- Surveying the initial two drill sites and moving forward with permitting, well plans, costings, rig options and completion program selection.
- Adding new staff to complement the existing base of people and further grow as the project moves into a more active drilling phase.
- Preparations to initiate a reserve study to fully comprehend the extent of the reserve base included within the four leaseholds.

- Timing of the project's initial phase of development has been extended in order to fully understand the evolving techniques and programs being employed in the very active Permian basin. The original plan had expected that initial drilling could start by June of this year. Drilling is now expected to start in the third quarter so as to assure that the best programs are in place to develop the leaseholds.

In addition, challenges to certain leasehold positions have been presented. These challenges involve certain legal matters that originated from earlier disclosed events. In reference to these challenges, the Purchase Agreement of the four leaseholds provides certain protections or indemnities by AKW from legal actions or overriding royalty interests claims which remained outstanding at closing. Progress is being made in overcoming the overriding royalty interest claims and having legal matters resolved or determined.

For clarification purposes, the Wolfberry Trend Development Project refers to our leasehold position in the Permian Basin. Several potentially producing formations within our acreage are commonly referred to collectively as the Wolfberry Trend. The formations covered by our leases vary by lease and by tract within those leases. Our earlier reference to a 75% net revenue interest in the leasehold position is the net position after leasehold royalties and resolution of the overriding royalty interest claims or indemnity if such claims are not resolved.

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About Golden Gate: Golden Gate is an independent oil and gas exploration and production company listed on the Australian Securities Exchange. Its focus of operations is onshore Texas and Louisiana Gulf Coast region and the Permian Basin region of the USA.

COMPETENT PERSONS STATEMENT: The information in this report has been reviewed and signed off by Mr Mark Decker, Geologist (BS. Geology), with over 34 years respective relevant experience within the oil and gas sector.

This report contains forward looking statements that are subject to risk factors associated with resources businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.